

Work, Family, and Financial Aid: How do Students Pay for College?

HEFWS 2020

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TRELLIS[®]
C O M P A N Y

About Trellis Company

- Trellis Company (www.trelliscompany.org) is a nonprofit 501(c)(3) corporation with the dual mission of helping student borrowers successfully repay their education loans and promoting access and success in higher education.
- For over 40 years, Trellis Company has provided individualized services to student loan borrowers and support to institutions and communities.
- Trellis offers the Student Financial Wellness Survey (SFWS) free of charge to institutions as part of our community investment work.



About Trellis Research

- Trellis Research provides colleges and policymakers insight into student success through the lens of college affordability.
- We invite you to visit our library of publications at www.trelliscompany.org/research.
- Please follow us on Twitter @TrellisResearch for notifications of new research publications and discussions of a variety of higher education topics.



OHIO ASSOCIATION OF COMMUNITY COLLEGES

OHIO'S 23 COMMUNITY COLLEGES – BY THE NUMBERS



34% of all undergrads in Ohio's public higher education system attend a community college;



18,584 associate degrees awarded in 2018



3,646 long-term certificates and 9,538 short-term certificates awarded in 2018



12% of all bachelor's degree recipients started at an Ohio community college

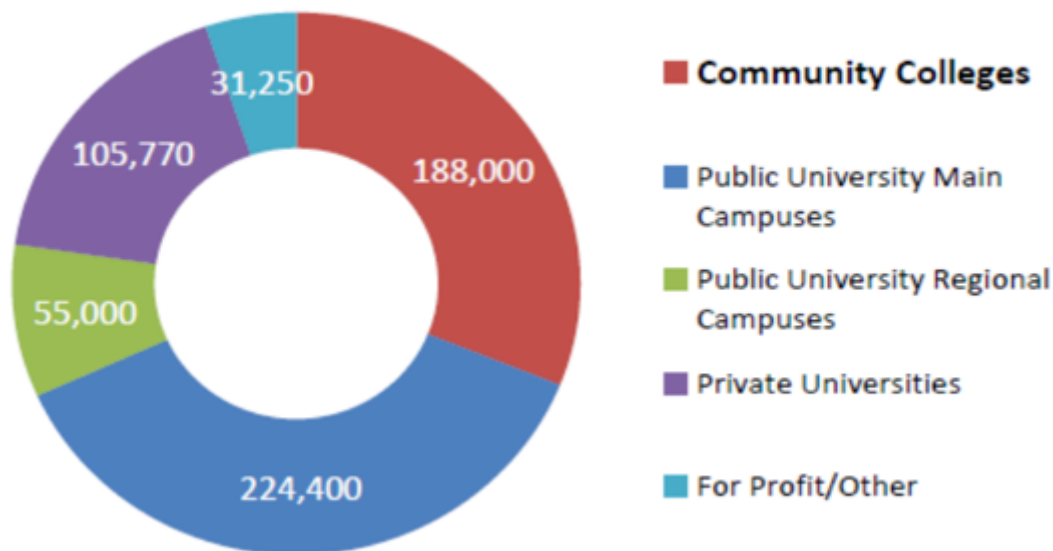


10,000+ students transfer from our colleges to a public or private university or university annually



HIGHER EDUCATION IN OHIO - UNDERGRADUATE ENROLLMENT IN PUBLIC AND PRIVATE COLLEGES & UNIVERSITIES

5 Year Average, Annual Fall Undergraduate Enrollment by Sector



COLLEGE AFFORDABILITY CONTEXT

Student Financial Wellness Survey

Survey Metrics Fall 2019 SFWS Undergraduate Cohort		
	<u>Two-year Institutions</u>	<u>Four-year Institutions</u>
Survey Population	317,547 students	169,856 students
Responses	23,684 students	14,804 students
Response Rate	7.5%	8.7%
Completion Rate	84%	82%
Median Time Spent	14 minutes	12 minutes

- Survey launched on October 21, 2019
- Open for three weeks
- Seventy-eight institutions across 20 states participated:
 - 54 Public 2-year institutions
 - 15 Public 4-Year Institutions
 - 9 Private 4-Year Institutions



Students Have Unmet Need



Unmet need is the out-of-pocket cost of college students must come up with beyond expected family contribution and sources that don't need to be repaid (e.g. grants, scholarships, work-study, etc)



Around three out of four students have unmet need.



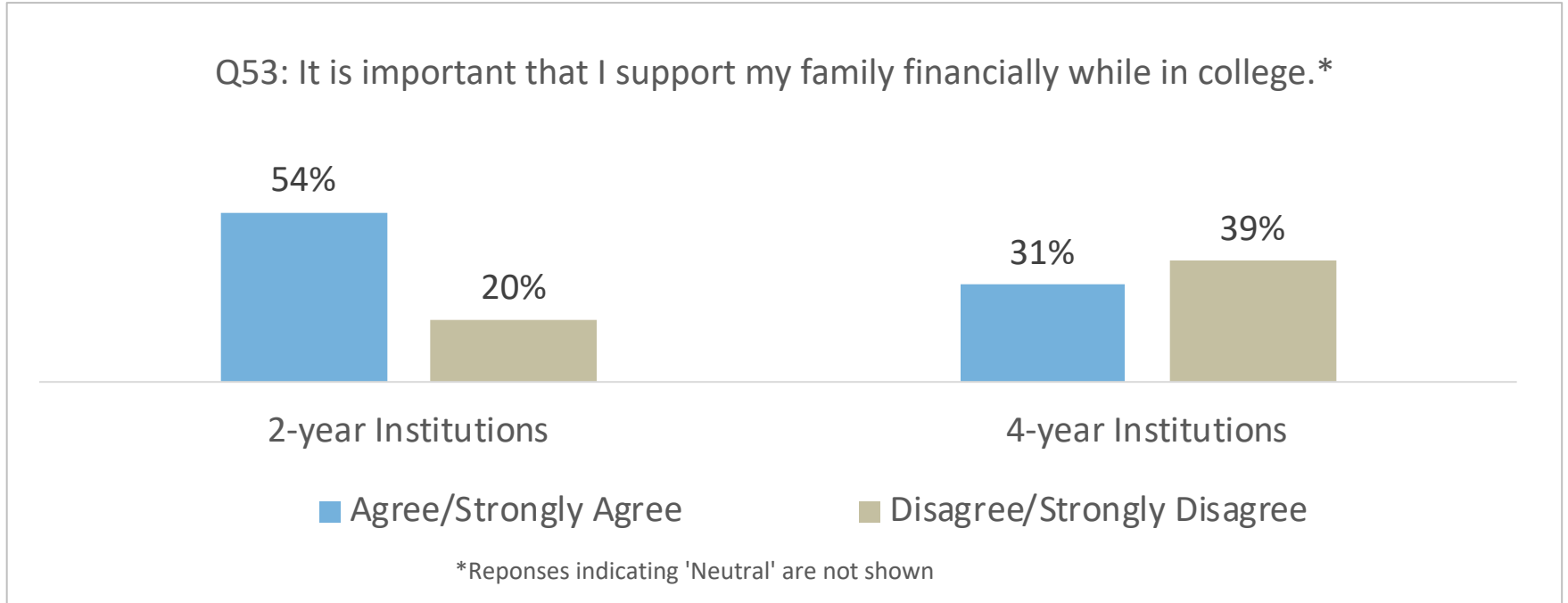
Average of \$4,920 at public 2-year institutions and \$9,134 at public 4-years



Unmet need has risen by 23 percent since academic year 2011-2012



Supporting Family



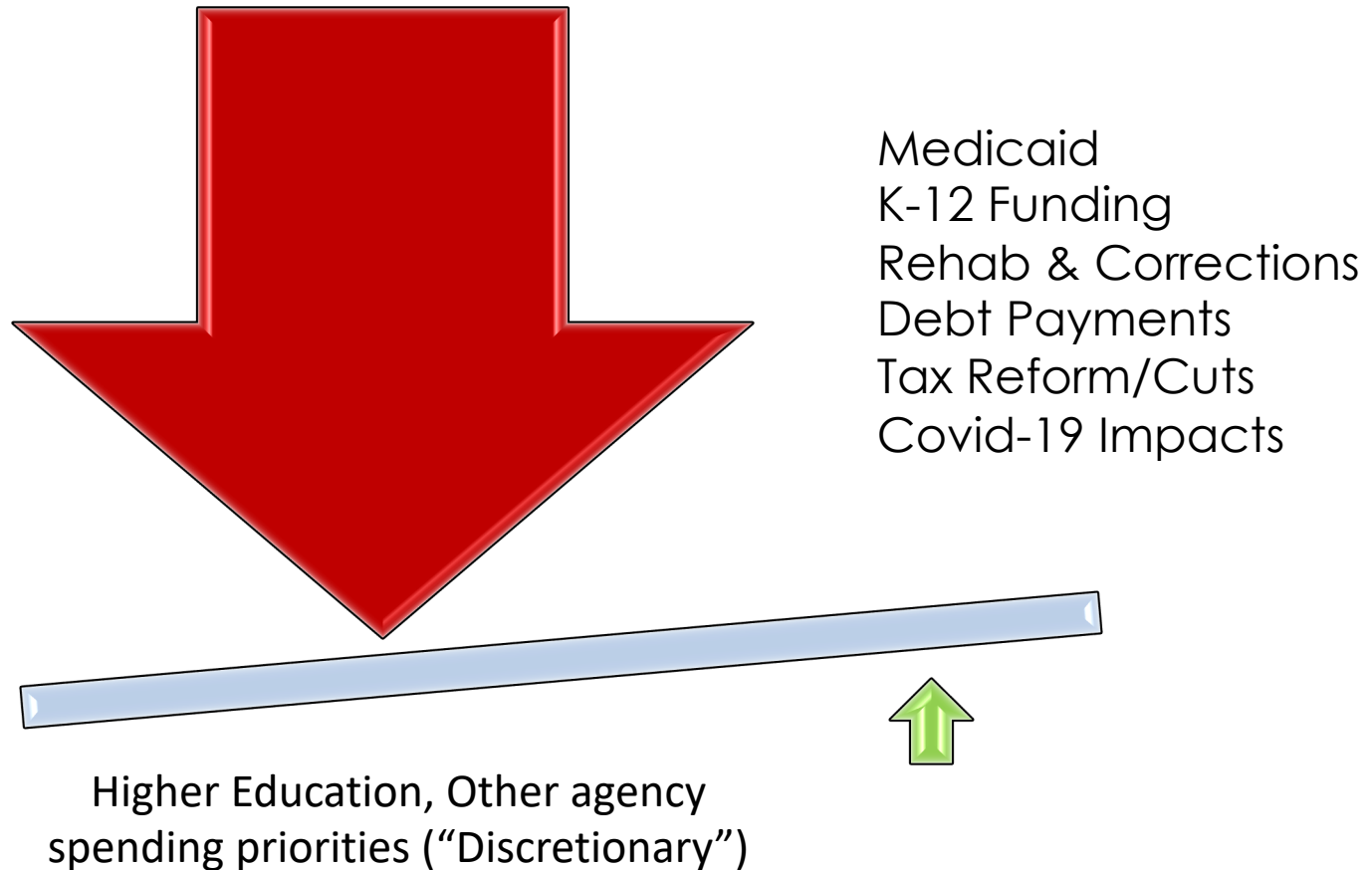
- Many students are supporting family while attending college.





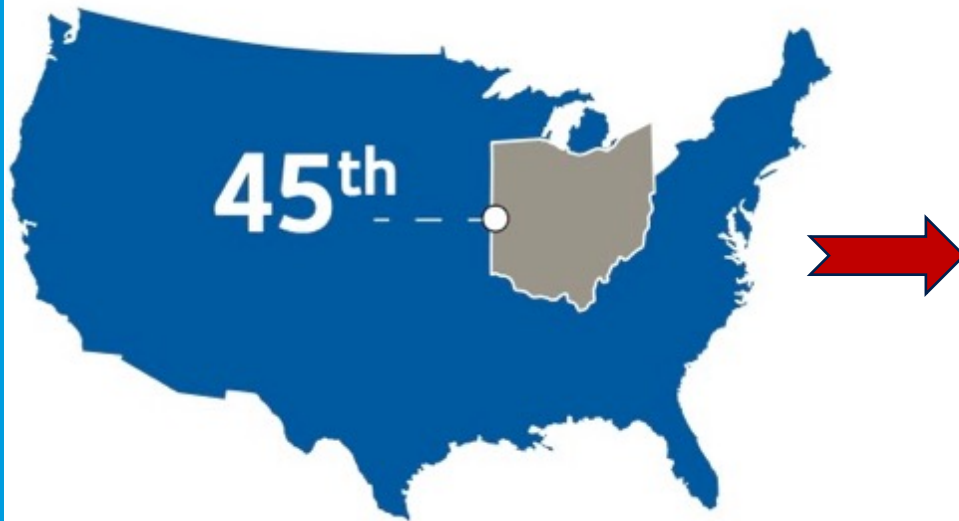
The Ohio Context: Affordability and Resources

OHIO'S BUDGET PRESSURES – COMPETING FOR LIMITED RESOURCES

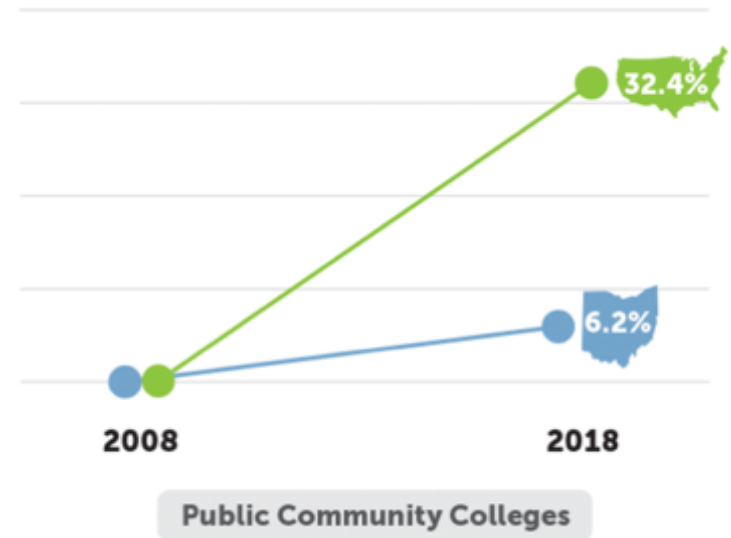


COLLEGE AFFORDABILITY

Ohio Ranks 45th out of 50 states for college affordability



Tuition increases over a 10-year span
Ohio vs. US



AFFORDABILITY GAP FOR LOW-INCOME STUDENTS AT PUBLIC COMMUNITY AND TECHNICAL COLLEGES (BY STATE)

NET PRICE – INCOME EARNED FROM WORKING 10 HRS PER WEEK = AFFORDABILITY GAP

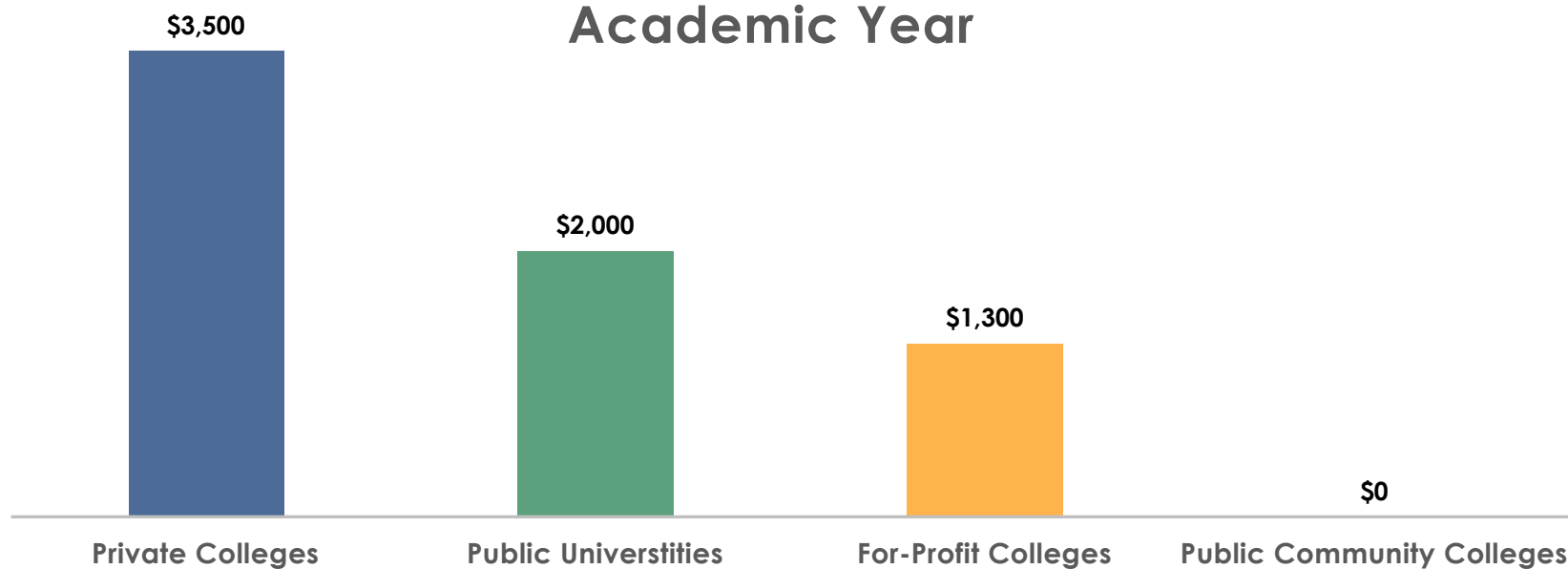


Source: Ed Trust analysis of the Integrated Postsecondary Education Data System (IPEDS), Student Financial Aid Component; National Conference of State Legislatures.
State average is an unweighted average of state data.

OHIO COLLEGE OPPORTUNITY GRANT (OCOg)

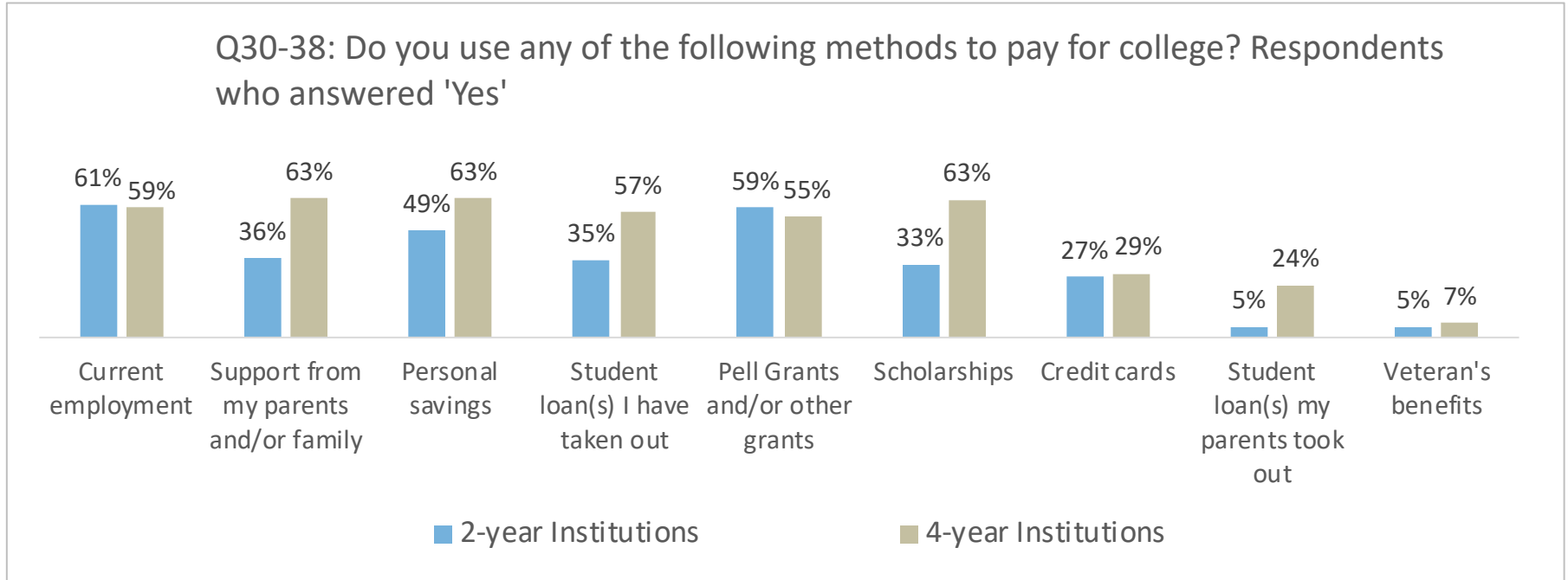
Since 2008, low-income students attending Ohio's community college get zero need-based aid from the state's financial aid program.

OCOg Award Amounts by Sector, 2019-20 Academic Year



WORK, FAMILY, AND FINANCIAL AID: HOW DO STUDENTS PAY FOR COLLEGE?

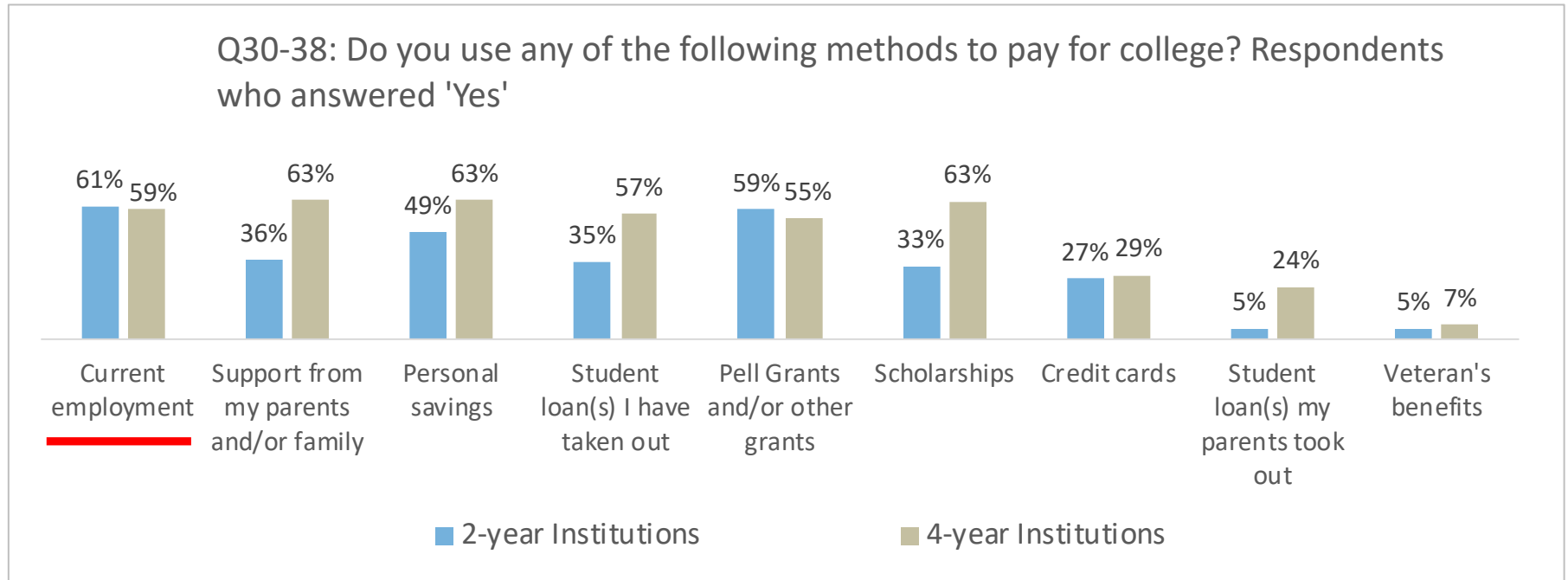
How Students Pay for College



- The sources students use to pay for college are broad.



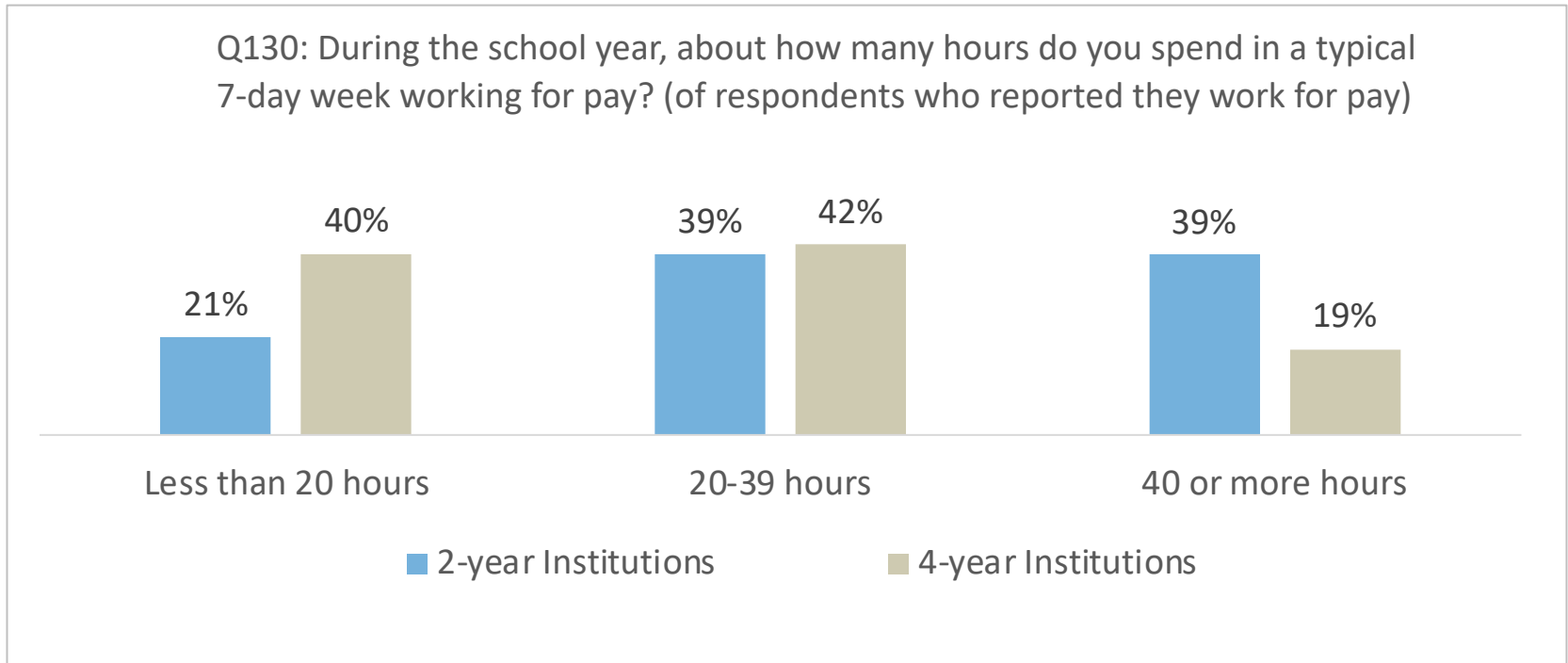
How Students Pay for College



- Most students use their current employment to pay for college.
 - Around three in five students at two-year (61 percent) and four-year institutions (59 percent) work to pay for college.



Working While in College

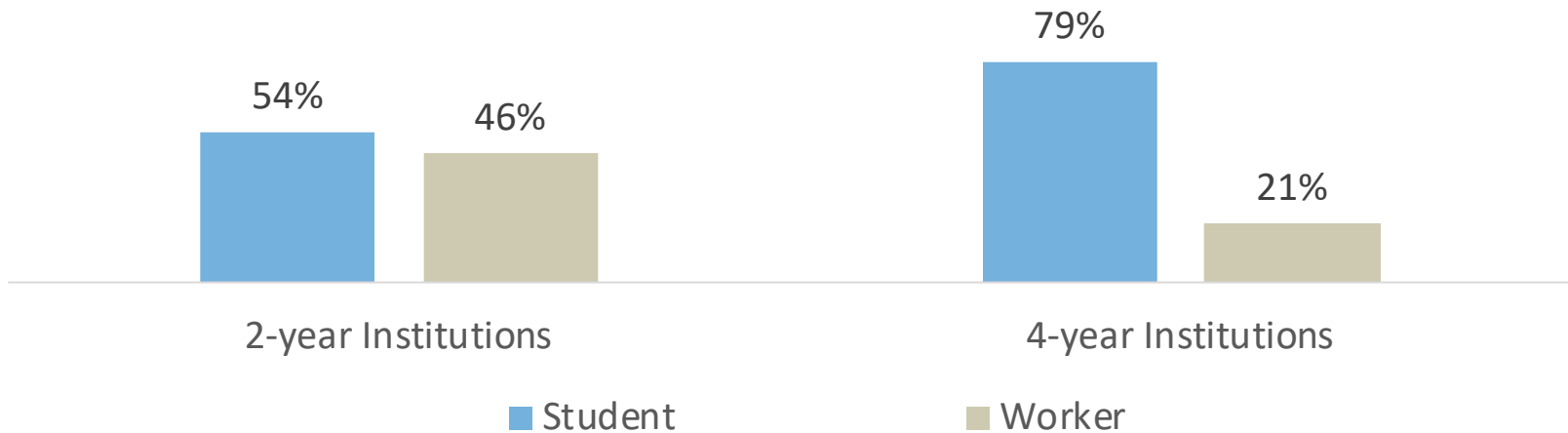


- Respondents with jobs at 2-year institutions were more likely report working 40 or more hours while attending college.



Working While in College

Q129: Do you consider yourself a student who works or a worker that goes to school? (of respondents who reported they work for pay)

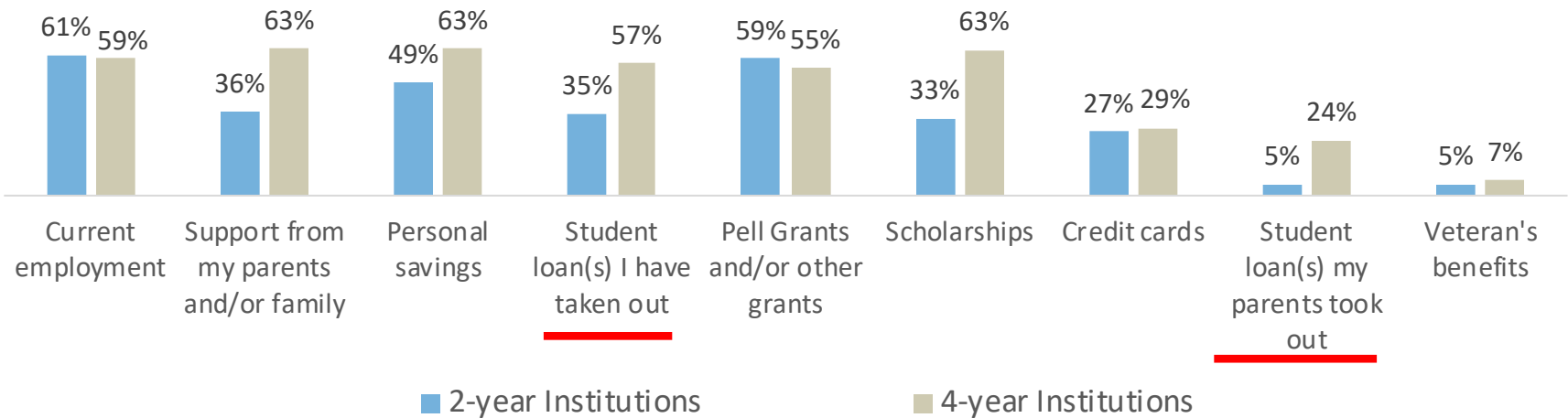


- Respondents with jobs at 4-year institutions were more likely to identify as students first and workers second.



How Students Pay for College

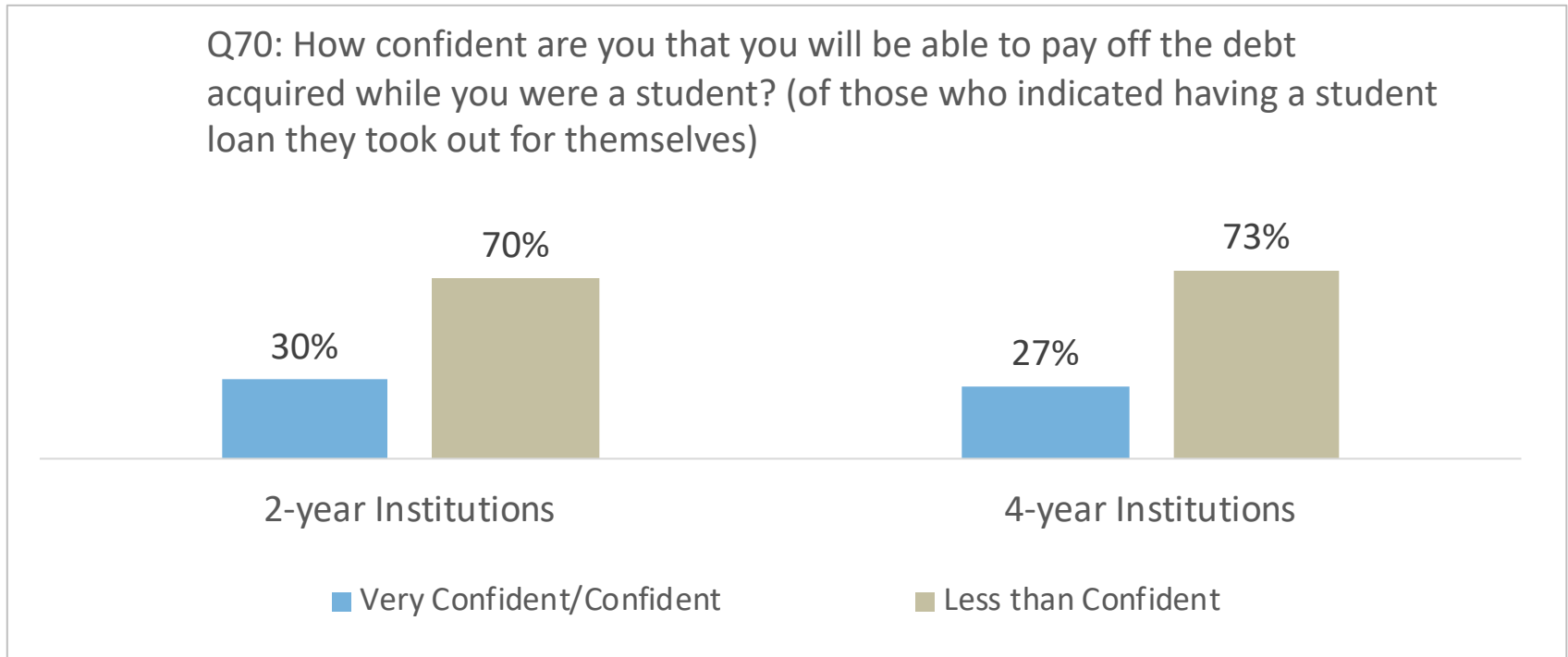
Q30-38: Do you use any of the following methods to pay for college? Respondents who answered 'Yes'



- Respondents at 4-year institutions – and their parents – take out student loans at greater rates than students at 2-year institutions.



Student Borrowing

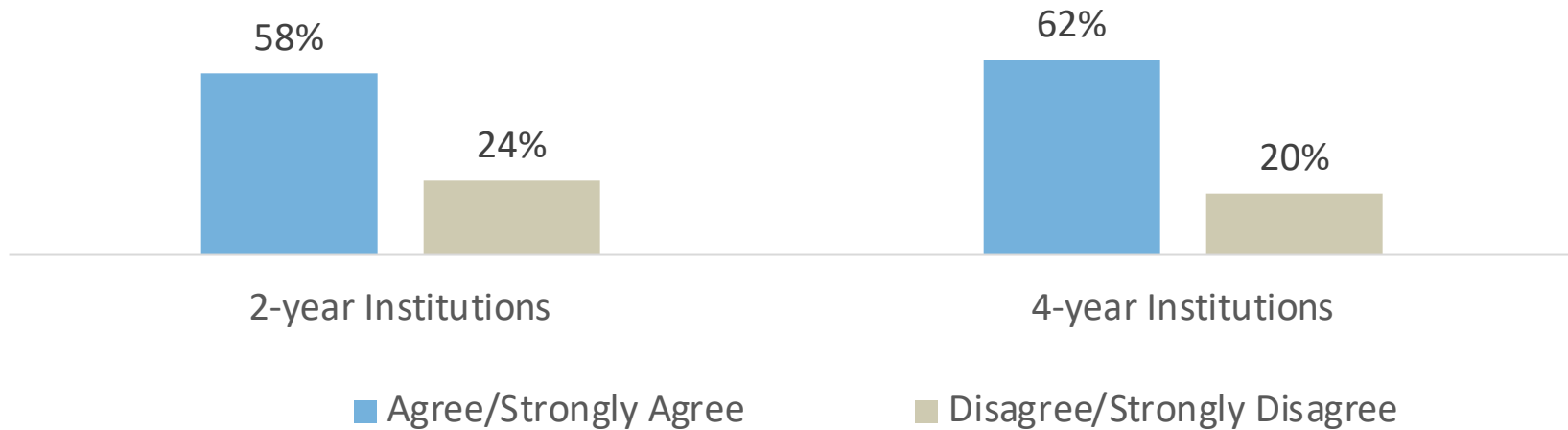


- Many students that borrow have little confidence in their ability to repay.



Student Borrowing

Q69: I have more student loan debt than I expected to have at this point. (of those who indicated having a student loan they took out for themselves)

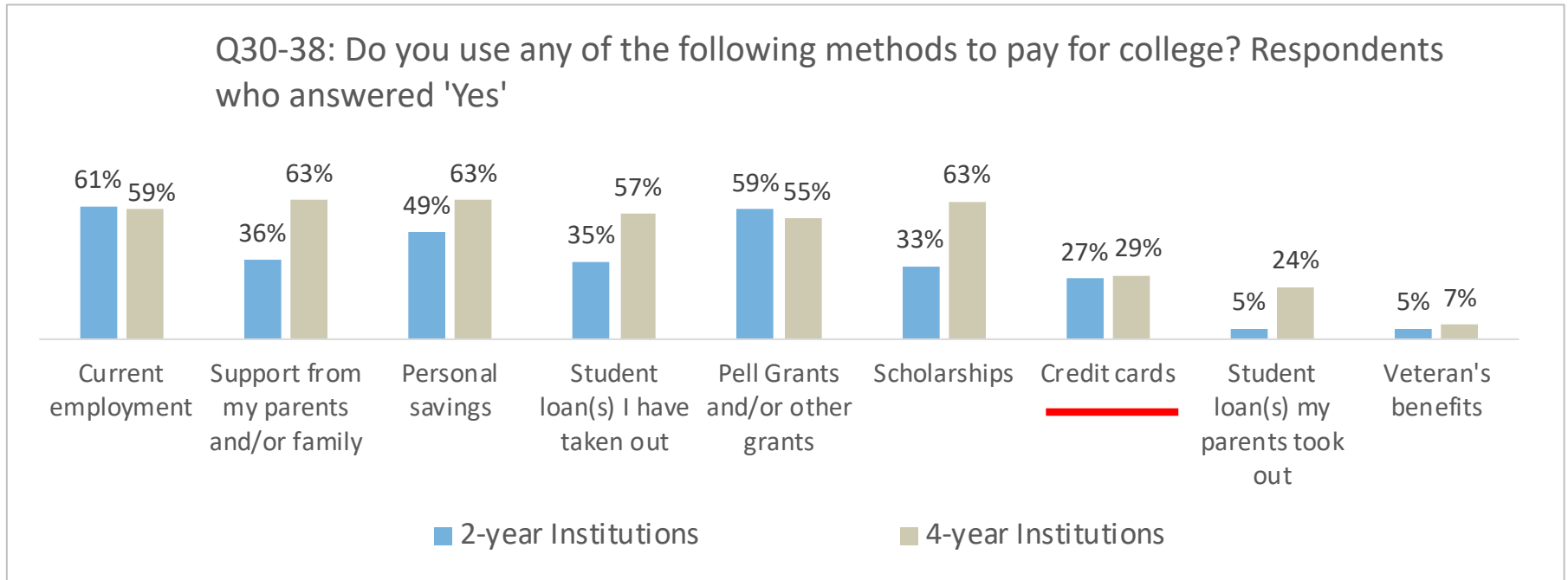


*Responses indicating 'Neutral' are not shown

- Students seldom estimate their student debt correctly – even while they are still in school.



How Students Pay for College

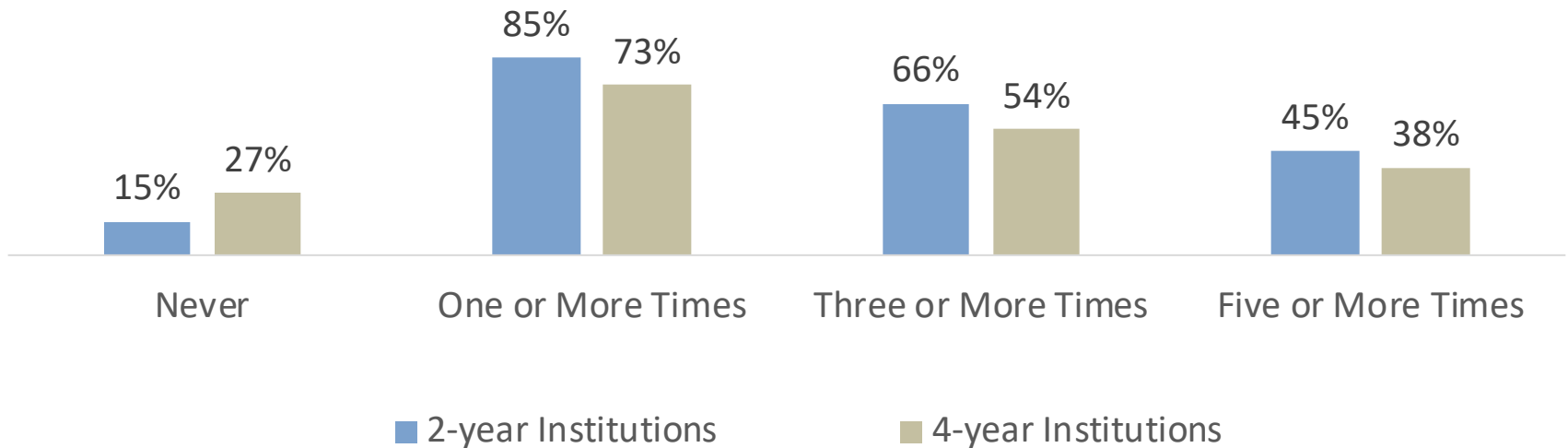


- Credit cards are common but come with uncomfortable risks.
 - More than a quarter of respondents at 2-year (27 percent) and 4-year (29 percent) institutions report that they use credit cards to pay for college.



Credit Cards and Risky Borrowing

Q63: In the past 12 months, how many times did you use a credit card for something you didn't have money for? (of those who borrowed on a credit card)

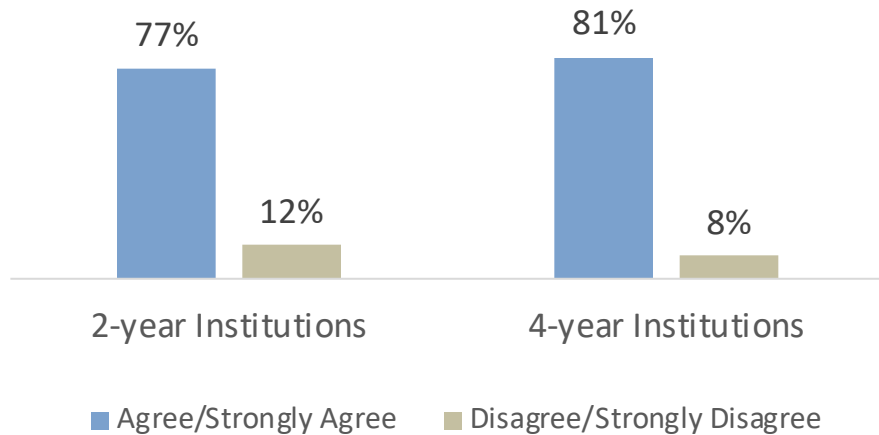


- Students are also making a purchases on a credit card for things they do not have money for.



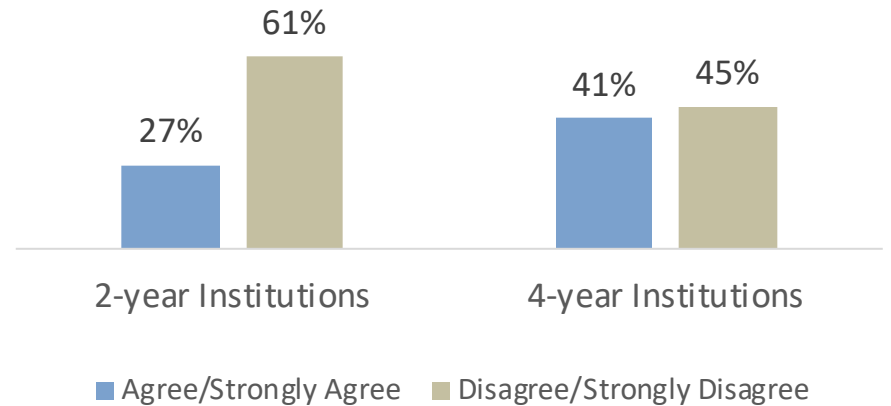
Credit Cards and Risky Borrowing

Q64: I always pay my credit card bill on time.
(of those who borrowed on a credit card)



*Responses indicating 'Neutral' are not shown

Q65: I fully pay off my credit card balance
each month. (of those who borrowed on a
credit card)

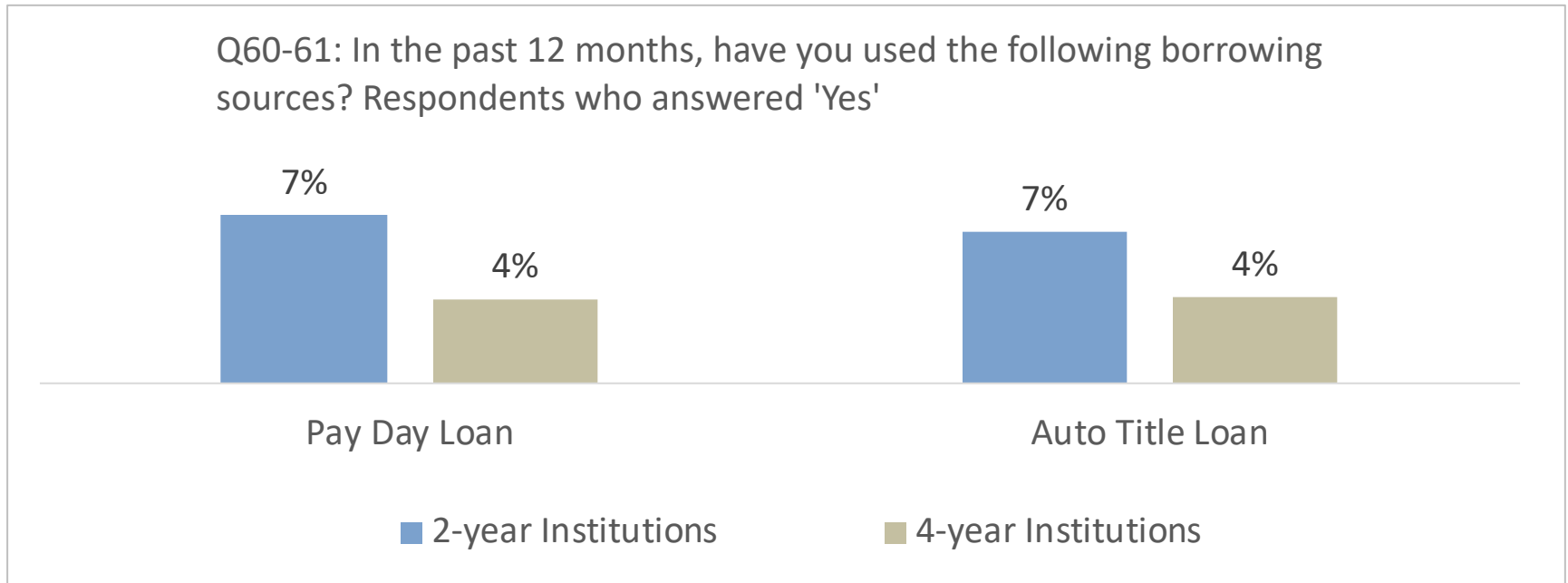


*Responses indicating 'Neutral' are not shown

- Although many credit card users do pay their bill on time, many are not paying off their full balance.



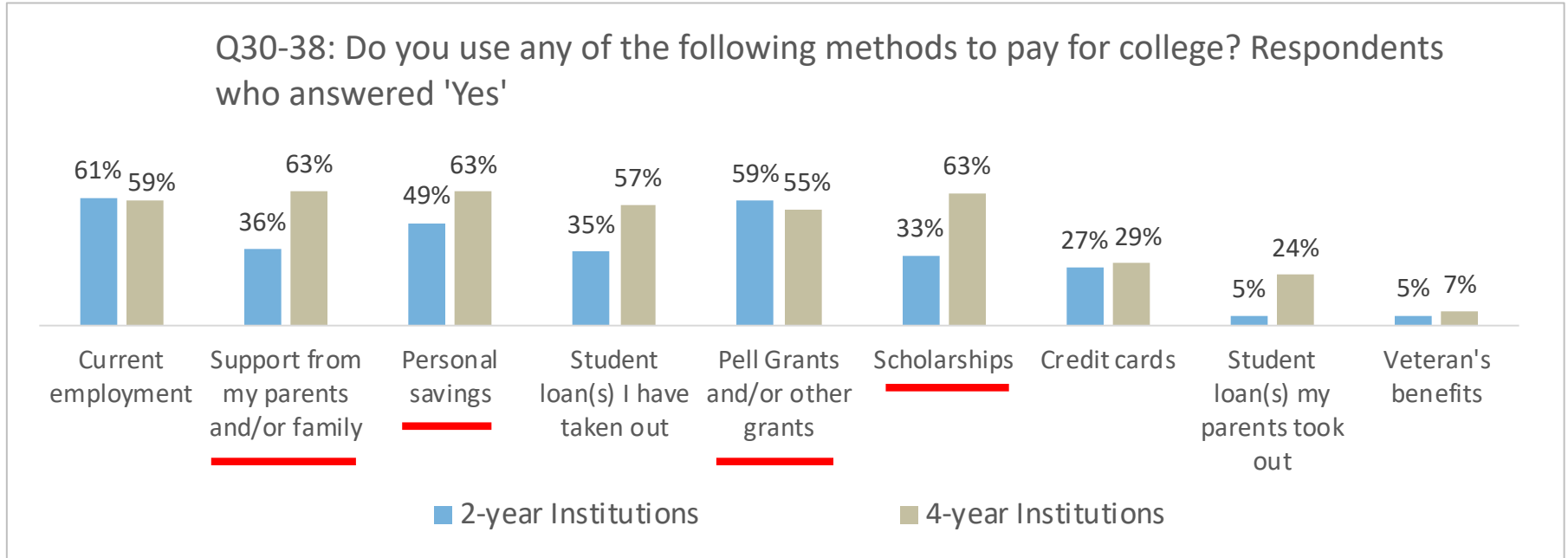
Credit Cards and Risky Borrowing



- Although less common than credit card borrowing, students also turn to payday and auto title loans.



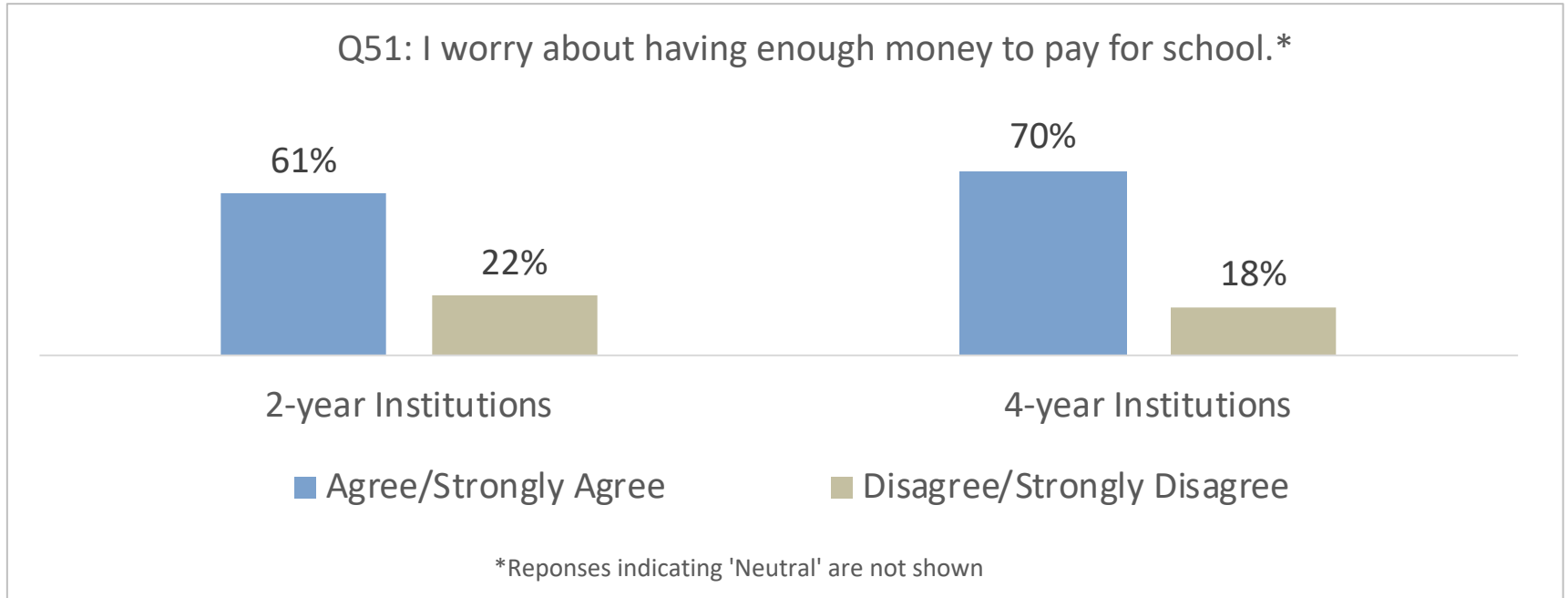
How Students Pay for College



- Students also use a variety of other sources to pay for college.
 - Support from parents and/or family
 - Personal Savings
 - Grants
 - Scholarships



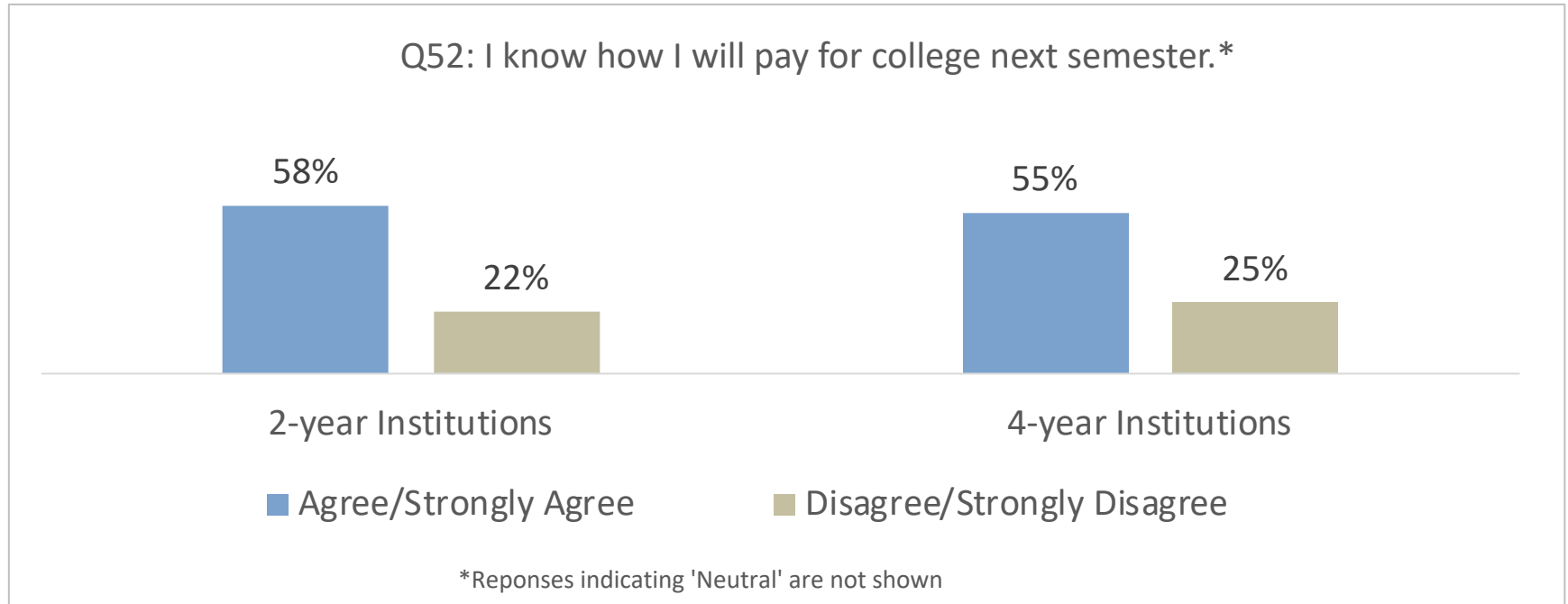
Affordability Concerns



- Even with the variety of sources students use to pay for college, many students still signal concern with being able to afford college.



Affordability Concerns



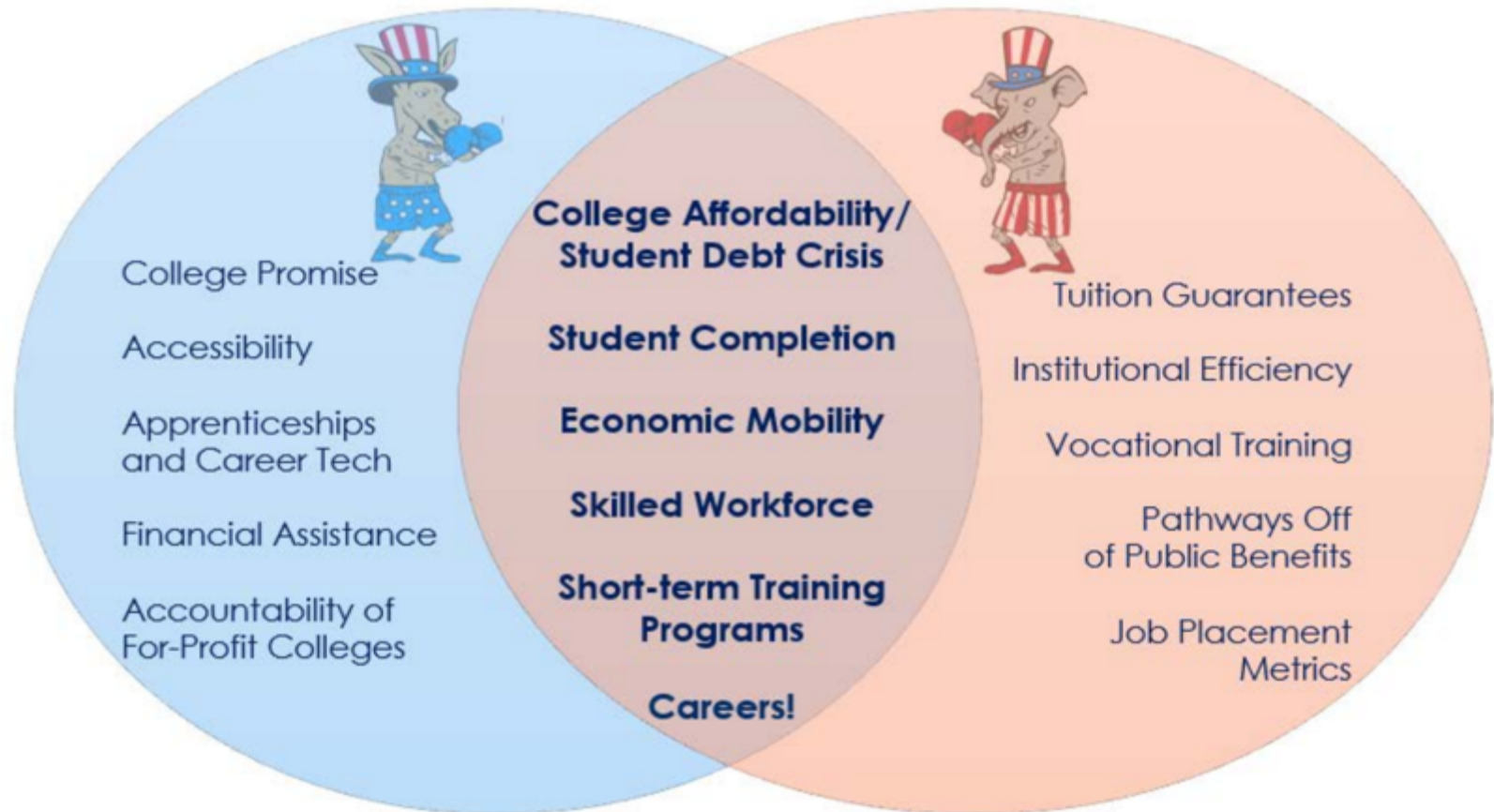
- Many students also lacked a financial plan to return for the next semester.



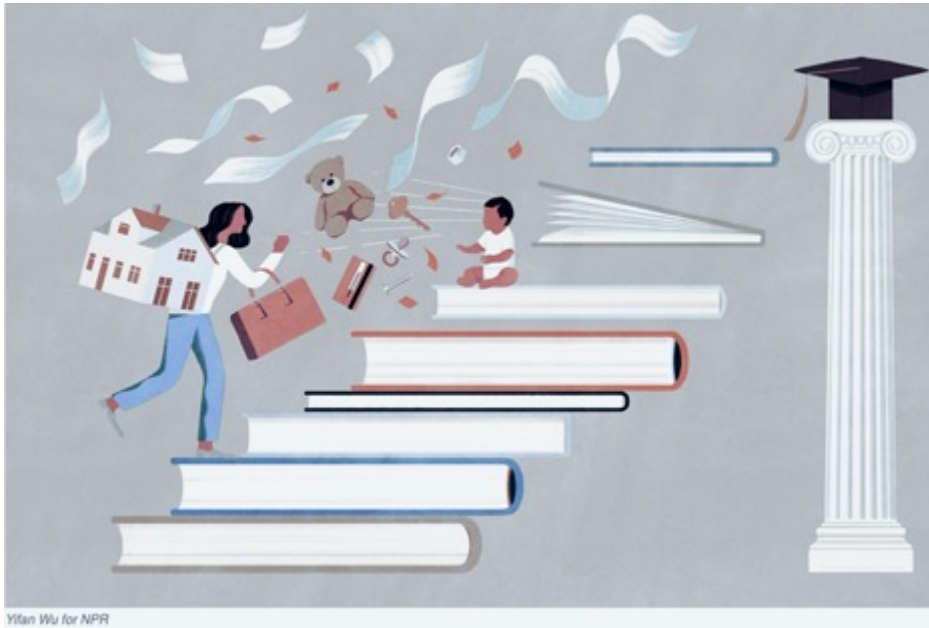


The Ohio Context: Working to Support Students

ADVOCATING FOR HIGHER ED IN A DIVIDED POLITICAL CLIMATE



OHIO COMMUNITY COLLEGES REFLECT THE "NEW" TYPICAL COLLEGE STUDENT



- 69% attend college part-time
- 2/3 receive federal need-based assistance
- 56% are female
- 52% are first generation students
- 38% are 25 years or older
- 34% are students of color
- Vast majority of students work one or more jobs, many 30-40 hours per week

USING DATA TO TELL THE STORY



LINKING “REAL” STUDENT NEEDS WITH OTHER ADVOCACY GROUPS

We know low-income students face significant barriers to completion. The costs to attend college go far beyond tuition and fees. These barriers include:

- Housing Insecurity
- Food insecurity
- Job insecurity
- Childcare Needs
- Equity

Some of the many partners OACC has begun to coordinate with include the Coalition on Housing and Homelessness in Ohio, the Ohio Manufacturers Assn, the Ohio Foodbank, the Ohio Hospital Assn, LeadingAge Ohio, Goodwill Industries, Ohio Excels and P-20 Councils from around the state.

Together, we are trying to meet both our student and local employer needs.

COMMUNITY COLLEGE ACCELERATION PROGRAM (CCAP)

EXPANDS WRAP-AROUND SERVICES FOR LOW-INCOME STUDENTS BY LEVERAGING EXISTING FUNDS.

- Designed after CUNY'S ASAP Model, CCAP aims to coordinate funding and services to improve success for low-income students.
- Collaboration between Colleges, ODJFS, ODHE, and local agencies.
- SNAP-to-Skills

Student Support <ul style="list-style-type: none">• Enhanced advising• Enhanced career-development services• Enhanced tutoring	Requirements and Messages <ul style="list-style-type: none">• Full-time and summer enrollment• Taking developmental education courses early• Graduating within three years
Financial Support <ul style="list-style-type: none">• Tuition waiver• Textbook assistance• Monthly incentive*	Course Enrollment <ul style="list-style-type: none">• A consolidated schedule and blocked courses†• First-year seminar‡
Program Management <ul style="list-style-type: none">• Managed locally within each college• Dedicated staffing	

IMPROVING WORK-BASED LEARNING OPPORTUNITIES

Earn and Learn – Combining learning with paid internships

- New Applied Bachelor's Degrees
- Partnerships with businesses

Employee “Pre-Imbursement” Programs with businesses

Apprenticeships

Financial Aid for In-Demand Short-term Certificates

Incumbent Worker Training

- Ohio's “TechCred Program” Reimburses Employers to Upskill Employees with Technical skills

"NEW" COLLAR APPRENTICESHIP PARTNERSHIPS

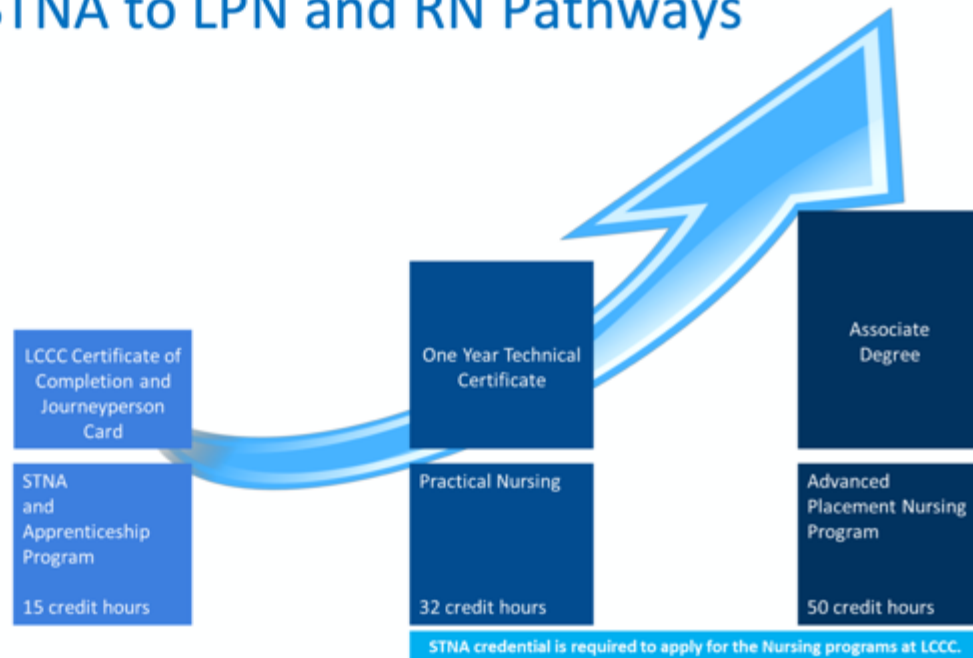
OACC has begun coordinating with regional and state employer organizations like LeadingAge Ohio to develop new apprenticeship pathways that allow the students to work in their career field while meeting their industry's long-term needs.



LCCC's First Healthcare Apprenticeship

STNA to LPN and RN Pathways

The Power of
Apprenticeship:
Healthcare



THE COVID-19 PANDEMIC

Much like how the coronavirus is having a disproportionate impact on low-income households in terms of job loss and illness/mortality rates, the pandemic is having an impact on many of our students' financial wellness.

Emergency Aid and Other Assistance

- Colleges have seen a dramatic increase in requests for institutional student emergency aid, housing and utility assistance and utilization of on-campus food pantries
- Need for childcare has become even greater with school children staying home
- Unpaid debt owed to the institutions

Digital Divide

- Remote learning has created equity gaps for many students who lack access to reliable broadband, Wi-Fi, computers, tablets and other technology necessary for online learning

“Gap Year”

- Community colleges are preparing to see a larger number of university students who stay home next year due to financial or health hardships for themselves or their family.

Upskill or Credentialing Displaced Workers

- Colleges are bracing for an increase in unemployed or underemployed workers seeking to upskill or gain new credentials for employment at a time when state support will be reduced.

How Institutions Can Help



Paying for college can be challenging, and sometimes funding sources (e.g., savings, parental contributions, work, etc.) can dry up.



Some institutions help students create a financial plan which complements their academic plans for degree completion.



Some institutions help students connect to resources – or learn where to get help – when experiencing financial challenges.



How Institutions Can Help



Colleges have also seen measurable improvements in student success outcomes when students receive a combination of support services and financial resources.



A key to any institution's strategic student success plan is to have the data to better understand the student experience.



Trellis' Student Financial Wellness Survey is a service offered free of charge to all institutions. Sign up now for the Fall 2020 implementation.



Questions?

Please follow us on Twitter: @TrellisResearch

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